SWANI SPICE

SUSTAINABLE SPICE SOLUTIONS

Crop Report & Market Updates
July 2026

Dear Friends,

General info/ Updates:

The IRAN WAR seems to have settled down; everybody needs Oil prices to come down to Sensible levels.

Freight: The situation is quite bad, and we don't know if this is a result of the Hormuz situation, which according to us should have opened and ships would have been lining up in the Ports by now.

But the reverse is the reality - We are getting arbitrary cancellations of confirmed bookings. Result is that there is a serious pile up, and backlog of ready cargo sitting in our warehouses unable to move, added to the fact that Spices Board is taking up to 2 weeks to give us the results on their testing and to issue Health Certificates where required.

July GRI (Freight enhancement) has been announced on the 2nd July. Increases of $1,000 to $ 2,500 per 20' FCL to EU and other West bound destinations. Even though customers are willing to pay the higher freights, the slots and containers remain a challenge. Freight rates and shipping costs at Nhava Sheva (JNPT) are exceptionally high due to severe port congestion, a severe shortage of trailer drivers, cascading global shipping disruptions in West Asia, and steep peak season surcharges imposed by major carriers.

The main factors driving these high costs include:

- **Severe Port Congestion:** Terminal yards are overflowing. A backlog of tens of thousands of containers has slowed down turnaround times, forcing ships to wait to dock and increasing storage and demurrage fees.
- **Trailer Driver Shortage:** A severe shortage of trailer drivers and trucking staff has made it difficult to move containers out of the port terminals to Container Freight Stations (CFSs), creating a massive evacuation bottleneck.
- **Geopolitical Disruptions:** Rerouting around the Cape of Good Hope and past diversions related to the West Asia crisis have caused "vessel bunching." Ships are arriving at the same time, overwhelming port capacity.
- **Suspension of Key Facilities:** The prolonged closure of high-capacity facilities like Glob icon Terminals has reduced the port's overall capacity to process and evacuate cargo quickly.
- **Rate Hikes and Surcharges:** To offset rising operational costs and supply chain bottlenecks, carriers like Maersk and MSC have implemented revised Freight. All Kinds (FAK) rates and Peak Season Surcharges (PSS).

Weather: The Super El Niño to amplify in coming months, likelihood of extreme weather events: WMO. El Niño conditions in the tropical Pacific are forecast to strengthen rapidly over the coming months, increasing the likelihood of heatwaves, droughts, heavy rainfall and other extreme weather events in many parts of the world, the World Meteorological Organization (WMO) said on Friday 2nd June 26. The monsoon delivers about 70% of India's annual rainfall and waters most of its farmland, so a weak season carries direct consequences for crops, food prices, water supply and economic growth.

Nearly 50% to 60% of India's net sown agricultural land is rain-fed and relies entirely on rainfall. This directly dictates the success of the Kharif (summer) crops, including staples like rice, pulses, coarse cereals, oilseeds, cotton, and sugarcane. Without this seasonal water, agricultural yields and rural incomes drop significantly

El Niño disrupts India's agriculture by weakening the southwest monsoon, leading to severe rainfall deficits and delayed planting. This dry spell harms rain-fed Kharif crops like rice, pulses, and oilseeds, lowers groundwater levels, and triggers higher food inflation due to reduced crop yields.

Here is how the 2026 El Niño has specifically impacted India:

- Delayed Sowing: Rainfall deficits—reaching up to 43% in some key early weeks of the monsoon—have slowed down crucial field preparations and crop sowing.

- Crop Vulnerability: Rain-fed crops, particularly pulses, oilseeds, and coarse cereals, are heavily exposed to drought. Even rice faces stress in non-irrigated areas, though most is protected by irrigation.

- Water Scarcity: Pre-monsoon reservoir levels dropped critically low, straining local irrigation networks, groundwater tables, and hydropower generation.

- Economic Strain: Lower agricultural output and water shortages are driving up market prices for essential food items and soybean meal, while decreasing rural incomes and pushing vulnerable farming families toward debt.

June finished, with an overall deficit of 65% (Private agencies) but Govt weather Bureau says shortfall is 40 - 45% lower in June. Mumbai was an 80% deficit, and our Lakes are down to only 7%, so unless we get rains quickly, we are in serious trouble. For July also the Bureau is predicting a short of 15% this Monsoon. Impact of El Nino is likely to be quite severe this year, and it's still early to say how the rest of the Monsoon Season will fan out, predictions are not the best either.

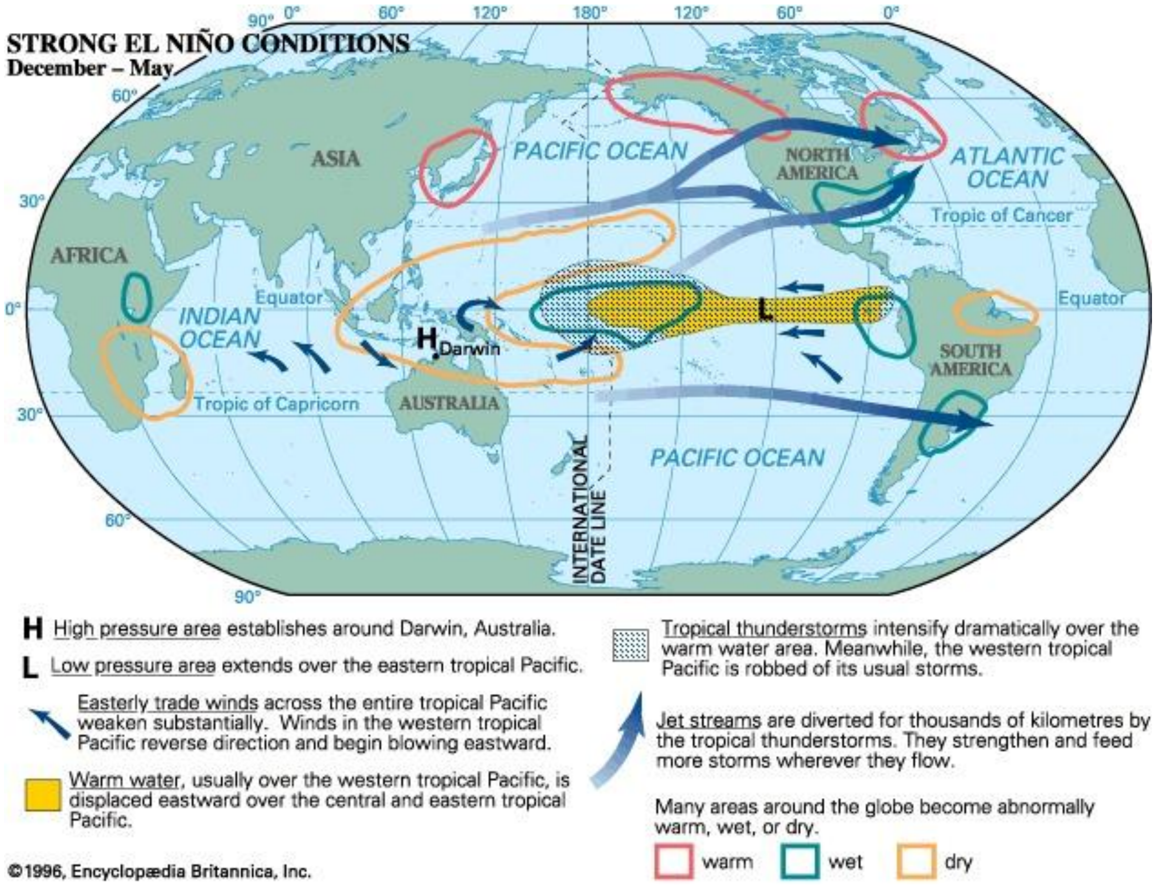
Given the information we have on hand, we will keep you updated month to month, based on the on-ground situation & impacts. Another report I read this morning said that the Winter crops will be more likely affected, creating drought like conditions by the end of the Year.

These are all forecasts and given the accuracy (or lack of) from various weather agencies, apps, pundits, satellite imagery, we will be keeping information based on facts and draw up possible two or three scenarios going forward. This basis of information that affects our crops will be (as always) drawn from what our farmer tells us.

Weak Monsoon May Impact Kharif (Monsoon) Crops and Inflation:

A weak southwest monsoon could increase water stress, delay kharif sowing, and reduce crop output, raising food inflation risks. While better irrigation, reservoir storage, and government support have improved agricultural resilience, timely and well-distributed rainfall remains critical. A positive Indian Ocean Dipole (IOD) may partly offset El Niño's impact, but past experience shows it may not prevent below-normal rainfall. The report also highlights that rising temperatures and increasing rainfall variability are adding pressure on agriculture, making rainfall distribution and reservoir levels more important than seasonal rainfall totals.

A common theme is emerging is that rainfall will be less; scenarios will be built around this.



CHILLIES:


Chilli Planting 26-27 crop

Planting in Madhya Pradesh is also looking like 50/60% higher, and they have had good rains till now and have started the planting (our farmers rely on drip irrigation). What we are hearing from the Ground levels is that in all the Chilli growing belts that farmers are very keen to start the planting and are allocating higher acreage, but all are waiting for the Rains and enough Moisture in the Soil.

The future sowing & price trends are all going to depend on the Monsoon Rains. If there are good rains (Highly unlikely) and the plants flourish, market will remain stable. Also, a lot will depend on the Water levels in the Dams and if are able to supply water for Agriculture thru the Canals etc.

If rains are scanty, then there will be Moisture stress in some areas, especially the IPM Belts of Bellary, Kurnool, etc which are all rain fed regions. In that case we should be prepared to see firmer prices.

Let's just keep our Fingers crossed and Pray to the Rain Gods for good Rains.

TURMERIC:

Turmeric planting has been started by some farmers

Arrivals in Nizamabad are finished. Arrivals of Desi Cuddapah are also over, except a few farmers holding back for higher prices. Farmers are still very keen to plant Turmeric as they have stored their Mother Bulbs, and with some good showers they will complete the planting - Rest will be in the Hands of the Rain Gods.

South Maharashtra: Arrivals are still good, and there is plenty of Material still to be had. Erode region which we had a crop around 135,000MTS, has sold out approx. 75,000MTS already. They depend on the Northeast Monsoon, so there is still time for them for the sowing etc.

What I am trying to put across is that any bearish thoughts are rapidly disappearing. As we go along and watch the Rains, the Market will determine its own course. My feeling is that prices will move up, and farmers will plant more for the 2027 crop.

My suggestion is taking cover through to December shipments now (It's not too late). Let's keep a close eye on the Weather and see how it develops.

CUMIN:

Arrivals in the Market have now come down to around 660MTS. We know for a fact that farmers are holding stocks, which they will Hold till Diwali and if there is a Monsoon failure then they will not sell at the current levels. IPM Cumin is also now starting to show signs of Drying, so I think you were wise in covering your needs in good time. Pls review again for further needs also.

New crop planting won't start before November, and I won't even think of hazarding a guess on that. Too many variables are play- Domestic demand is good - Exchange prices have been steadily firming up. Export demand also remains good, even though China has did not come to the market to buy yet at all. It's a wait and watch situation, but don't stay short for sure. Given the market / price situation, we recommend covering your requirements through Dec shipments. As the situation develops, we will present further options / recommendations.

CORIANDER:

The situation in July: Prices are slowly but surely moving upwards. Domestic demand is also good, which is keeping the price on the gradual upward trend. Personally, I think there is room for improvement, and my advice is to stay covered and protected. East European crops are still 4 weeks away, and their prices also are quite high this year.

FENNEL:

Nothing much is happening here. Market is holding steady, and demand continues but at a rather slow pace. Export demand also seems rather quiet. Market is likely to stay at these attractive levels, and it's a good price level also now to consider some coverage.

FENUGREEK:

Couple of points here to consider. 2025 - Farmers did not get very good prices for their produce, so in 2026 the planting was lower. Result is that prices in the 2026 season have moved up by about 20% and there is still scope for a further improvement. This year, as an EL Nino year and deficit Rains. Fenugreek needs a lot of water, so I think the planting in the 2026 planting season will be even lower and prices will again react to this. Stay cautious and carefully covered on this item please.

GINGER:

Northeastern states sowing starts in May of this year and overall farmers have been satisfied with the prices (for the past 2 years). A larger crop in 2026 compensated for shortfall of Ginger from Karnataka however, not completely, giving all the encouragement to farmers to plant. When the farmers say 15-20% more planting, its usually more, however available land in the hills limits this. Final data will only be available post monsoons - due to safety reasons, we have limited our teams travel in the hills during the rains.

CELERY:

Today the ground reality is that there is just no trade. Local traders are asking for Astronomical prices in the Range of Rs 300/kg, and nobody is willing to pay these prices, and we would also encourage you not to pay these stupid prices which are double of last year.

There is enough material in the market, and the larger farmers are also holding back, seeing how the traders have been exciting the market. I see no other choice but to wait it out and let the market settle down and come back to sensible levels. It is also important to note that there is No Domestic consumption for Celery, so eventually they must come to us to sell. Keep your patience and let’s Ride out this storm together.

CARDAMOM:

As of July, the Ground reality is that Rains in June were not sufficient, (cardamoms Need rain every 48 hours at least) as it’s a very shallow Root. We must wait and watch to see how the Monsoon Pans out. The more frequent the rains - It’s beneficial to the plants.

Crop estimate is revised a bit lower to 25/28,000tons from the earlier 28/30,000tons. Prices are holding steady to firm. Demand from Gulf states - They want only the new crop so that pricking comes in August onwards, for a Sept shipment. Ramadhan is March/April, so can ship even up to 15th Jan, so good opportunity for catering to the Gulf demand now that trade is starting to open again, with Hormuz Choke point being released.

Advise: When every you feel you need the material pls don’t wait and kindly cover and secure yourselves.

Please visit our LinkedIn page for more updates:

https://www.linkedin.com/posts/swani-spice_sustainableagriculture-waterconservation-ugcPost-7466370937656119296-0Wdo?utm_source=share&utm_medium=member_ios&rcm=ACoAAC8IxlIBgpxlW7XWnBguZTKrMX5MFm4S7XU

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Should you need any further information on any of these or other crops please feel free to ask.

With best regards
Yours Sincerely,

Kirandip Swani

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For any enquiries pls contact on marketing@swanispice.com